

Public Hearing on Casmir Pulaski Day Calendar 2012-2013, 932 Harrison Street, Galesburg, IL

6:45 PM—President Kessler called the public hearing to order on the Casmir Pulaski Day Calendar 2012-2013. Mr. Joel Estes provided a power point background on the new requirements for obtaining a waiver. No comments were made by the public and the hearing was closed.

Public Hearing on Budget for Knox-Warren Special Education for July 1, 2011 - June 30, 2012, 932 Harrison Street, Galesburg, IL

6:50 PM—President Kessler called the public hearing on the 2011-2012 Amended Budget for Knox-Warren Special Education to order. Mr. Guy Cahill gave a brief overview of the budget. No comments from the public. The hearing was closed.

Public Hearing on Budget for CUSD #205 for July 1, 2011 – June 30, 2012, 932 Harrison Street, Galesburg, IL

6:55 PM—President Kessler called the public hearing on the 2011-2012 Amended Budget for CUSD #205 to order. Mr. Guy Cahill gave a brief overview. No comments from the public were made. The hearing was closed.

MINUTES

Community Unit School District #205

Board of Education

June 25, 2012

Call To Order/Roll Call

The Community Unit School District #205 Board of Education met in a regular meeting on Monday, June 25, 2012 at 7:00 PM at 932 Harrison St., Galesburg, IL. President Kessler called the meeting to order. The roll was read and the following Members responded: Lindstrom, Welty, Panther, Kessler, Palmer, Colclasure (6) Absent: Swanson (1) Roll Call #1

Moment of Silence/Pledge of Allegiance

A moment of silence was observed followed by the Pledge of Allegiance.

Recognition of Visitors

Dr. Gene Denisar, Superintendent and Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction introduced the West Family. Mr. Estes stated District #205 is honoring Mr. Joseph E. West and Mr. Thomas G. West for their nearly sixty years of service representing the District and the Board of Education by unveiling a newly constructed podium with a plaque honoring the two men as a memento to the West family for their service to the District.

Approval of Minutes

It was moved by Member Welty and seconded by Member Colclasure that the Minutes of the regular meeting of May 14, 2012, special meeting of May 15, 2012 and special meeting of May 24, 2012 be approved without further reading and without correction or addition. On roll call the following Members voted AYE: Welty, Panther, Kessler, Colclasure, Palmer, Lindstrom (6) Motion carried. Roll Call #2

Approval of Payrolls and Claims

Upon presentation by Member Kessler of payrolls and claims filed in the Ledger Book as Exhibit #569 as of June 25, 2012, which exhibit is incorporated herein and by reference made a part hereof, it was moved by Member Panther and seconded by Member Welty that the same be approved and allowed for payment as presented. On roll call the following Members voted AYE: Lindstrom, Panther, Welty, Palmer, Colclasure, Kessler (6) Motion carried. Roll Call #3

Approval of Consent Agenda

It was moved by Member Lindstrom and seconded by Member Panther to approve the Consent Agenda as presented:

- A. Approve Hazardous Transportation Areas for 2012-2013
- B. Adopt Resolution on Prevailing Wages

On roll call the following Members voted AYE: Panther, Welty, Colclasure, Kessler, Lindstrom, Palmer (6) Motion carried. Roll Call #4

Correspondence

Dr. Denisar, Superintendent, stated that board members were presented with a letter from parents of the GHS Baseball team regarding the denial of their request for an out of state trip to Florida during Spring Break 2013. Discussion followed between Members of the Board with the result that Dr. Denisar will invite Mr. Gonzalez to make an official presentation to the board and request with documented itinerary of the trip at the July board meeting.

Committee ReportsBudget

Member Panther stated that the Budget Committee met to review the changes (none) to the Fiscal 2011-12 amended budgets placed on the table in April and May for KWSED and District 205, respectively. Previewed the Fiscal 2012-13 District 205 tentative budget along with a companion proposal to suspend the Board's policy goal for having a balanced budget. Most of the meeting was devoted to the Fiscal 2012-13 District 205 Budget and the Education,

Transportation, Retirement and Tort fund deficits. Administration explained how the next six months or so would be used to engage stakeholders in a discussion as to how to balance the budget on a going forward basis and how in the meantime reserves would be used to offset the budgeted deficits. It was noted that the District's financial "recognition" status would likely drop one notch to "review" and that our days of cash on hand would decrease by eight. Conversation was had as to the source of the budget shortfalls—continued loss of state funding from increased proration of general state and regular transportation aid—and the opportunities that might be pursued in addressing the same. The Committee recommends the full Board adopt the tentative District 205, KWSED and GAVC Fiscal 2012-13 budgets and set for September 10 a hearing on the same. The Committee will next meet in July or August to analyze and discuss in further detail the District 205, KWSED and GAVC budgets.

Buildings & Grounds

Member Welty stated that the Buildings and Grounds Committee met last Tuesday to tour the construction work underway at Lombard. Separately the committee reviewed and subsequently supported a request of administration to allow the Construction Manager to solicit an early bid on the structural steel to be used in and for the Steele School addition. Final approval of the bid will be brought before the full board at the July board meeting.

Insurance

Member Lindstrom stated that the Insurance Committee last met on June 1, 2012. The current fund balance is reported at \$1, 787, 775.73. The committee's recommendations are reflected on the agenda for approval.

Items are re-insurance, specific attachment and aggregate coverage along with medical premium base rates for the 2012-2013 school year. The next meeting will be scheduled at the beginning of the 2012-2013 school year.

Recruitment for Educational Diversity

Member Colclasure stated that the subcommittee last met on Wednesday, June 20, 2012. A list of people to interview regarding memories of Galesburg is being developed and a tour of Hope Cemetery. The subcommittee visited Knox College Library on June 8, 2012. The next meeting will be scheduled in July.

Old Business

None

New Business

A. Personnel Agenda

Dr. Gene Denisar, Superintendent, stated that Diane VanHootegem was on vacation and that in her absence he recommended the personnel agenda be approved as presented. It was moved by Member Lindstrom and seconded by Member Welty that the Board of Education approve the Personnel Agenda as presented. (Insert Personnel Agenda) On roll call the following Members voted AYE: Lindstrom, Welty, Panther, Kessler, Palmer, Colclasure (6) Motion carried. Roll Call #5

B. Approval of Elementary and Secondary Codes of Conduct for 2012-2013

Dr. Denisar stated that unless there are questions he recommended approval. A District-wide discipline committee was formed to review and consider needed revisions to the present Codes of Conduct. The committee consisted of a Board member, parents, the Athletic Director, a school nurse, an administrator from each level and four teachers. Due to registration being held on August 2, 3, 6, 2012, it will be important to approve the codes as soon as possible in order to have the document printed and available at registration. It was moved by Member Welty and seconded by Member Colclasure to approve the Codes of Conduct as presented. Member Lindstrom stated he had concerns over the cell phone policy. Discussion ensued. Member Panther stated he had an issue with the concussion portion and that he felt the wording needed changed regarding students being held out of practice also until a physician had been seen. Discussion ensued. On roll call the following Members voted AYE: Colclasure, Palmer, Panther, Welty, Kessler (5) NAY: Lindstrom (1). Motion carried. Roll Call #6. It was moved by Member Panther to amend the Codes of Conduct adding the words "or practice" following the word contest in the concussion portion. Member Welty seconded the

amendment. On roll call the following Member voted AYE: Welty, Colclasure, Kessler, Palmer, Panther (5) NAY: Lindstrom (1) Motion carried. Roll Call #7

C. Adopt Amended Budget for FY 2011-2012

a. District #205

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations stated that in April administration put forth a revised or amended Fiscal 2012 budget for the KWSED. Subsequently in May, they did the same for the District 205 budget specific to changes necessitated in the retirement funds of IMRF/FICA-Medicare. The proposed tentative budgets from April and May remain unchanged from that presented. It was moved by Member Welty and seconded by Member Panther to Adopt the FY 2011-2012 Amended Budget for District #205. On roll call the following Members voted AYE: Welty, Colclasure, Kessler, Lindstrom, Palmer, Panther (6) Motion carried. Roll Call #8

b. Knox-Warren Special Education

It was moved by Member Welty and seconded by Member Colclasure to Adopt the FY 2011-2012 Amended Budget for Knox-Warren Special Education. On roll call the following Members voted AYE: Colclasure, Kessler, Lindstrom, Palmer, Panther, Welty (6) Motion carried. Roll Call #9

D. Adopt Tentative Budgets for FY 2012-2013

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated the proposed tentative budgets for District 205, GAVC and KWSED will be found under separate cover. Accompanying those budgets will be found the respective resolutions for the filing of the same for public inspection. A detailed analysis of the District 205 budget will be forthcoming. All three budgets have/will have been reviewed by the Board's Budget Committee at its June 21st meeting and subsequently during the month of July/August prior to final adoption and public hearing to be held with the Board's regularly scheduled meeting on September 10, 2012. The KWSED and GAVC budgets are balanced. The District 205 Operation & Maintenance fund budget, Debt Service budget and Working Cash budgets are likewise balanced. The District's Capital Projects and Fire Prevention & Safety budgets, by nature, are "spend down" budgets and therefore are not expected to be balanced. The Education, Transportation, Retirement and Tort budgets are not balanced. (See separate Board of Education action: call for the suspension of the Board's Policy goal pertaining to having a balanced budget.)

a. District #205

It was moved by Member Colclasure and seconded by Member Welty to Adopt the Tentative FY 2012-2013 Budget for District #205. On roll call the following Members voted AYE: Lindstrom, Welty, Palmer, Colclasure, Kessler, Panther (6) Motion carried. Roll Call #10

b. Knox-Warren Special Education

It was moved by Member Colclasure and seconded by Member Panther to Adopt the Tentative FY 2012-2013 Budget for Knox-Warren Special Education. On roll call the following Members voted AYE: Colclasure, Welty, Panther, Palmer, Kessler, Lindstrom (6) Motion carried. Roll Call #11

c. GAVC

It was moved by Member Welty and seconded by Member Panther to Adopt the FY 2012-2013 Tentative Budget for GAVC. On roll call the following Members voted AYE: Palmer, Panther, Welty, Colclasure, Kessler, Lindstrom (6) Motion carried. Roll Call #12

E. Approval of Dairy Bid

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that the bid opening for the dairy products was held on June 13, 2012. It was published in the Galesburg Register Mail on June 2, 2012. Bids were sent to 4 vendors and we received bids from 2 of them. We are recommending Prairie Farms as the dairy supplier for the 2012-2013 school year. They are low bid, their products meet our specifications and we have worked with them in the past. The price is roughly 1% lower than last year's bid. Member Panther pointed out that he again would like to an alternative to offering chocolate milk. It was moved by Member Welty and seconded by Member Colclasure to Approve the Dairy Bid. On roll call the following Members voted AYE: Welty, Panther, Kessler, Colclasure, Lindstrom, Palmer (6) Motion carried. Roll Call #13

F. Approval of Bread Bid:

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that the bid opening for the bakery products was held on June 13, 2012. It was published in the Galesburg Register Mail on June 2, 2012. Bids were sent to 3 bakeries and we received bids from 2 of them. Sara Lee Bakery Group was low bid on all items. Therefore, we are recommending Sara Lee Bakery as our bread supplier for the 2012-2013 school year. They are our current supplier and we have had good service from them. Sara Lee Bakery came in lower, by about 3%. It was moved by Member Welty and seconded by Member Lindstrom to approve the Bread Bid as presented. On roll call the following Members voted AYE: Lindstrom, Welty, Panther, Palmer, Kessler, Colclasure (6) Motion carried. Roll Call #14

G. Approval of Secretarial Wage Proposal

Dr. Denisar, Superintendent, stated that the current secretarial wage schedule will expire July 1, 2012. The proposed schedule allows for a 2% increase; similar to increases in recently negotiated support staff contracts. Another issue addressed was in regard to service bonuses due to changes in IMRF regulations. IMRF has followed suit with TRS restricting end of service bonuses to 6%. The proposed language reflects how the 6% issue will be managed with other support staff. It was moved by Member Lindstrom and seconded by Member Panther that the Board approve the Secretarial Wage Proposal as presented. On roll call the following Members voted AYE: Lindstrom, Welty, Palmer, Panther, Kessler, Colclasure (6) Motion carried. Roll Call #15

H. Approval of Increase the Base in the Group Medical Insurance Premium

Dr. Denisar, Superintendent, stated that the cost of medical insurance continues to increase every year. Along with the continued unknown effect of the Health Care

Reform on our Plan, the Insurance Committee has reviewed the possible maximum claim exposure for the 2012-13 school year and is recommending a 3.5% increase to the current single base rate of \$467.69 or placement of the single base rate at \$484.06 for the 2012-13 school year. This will place our funding at 93% of our Maximum Plan Exposure. The Board currently provides for participating full-time employees at 90.5 % of the single base rate - \$438.07. It was moved by Member Lindstrom and seconded by Member Welty to approve the Increase to the Base in the Group Medical Insurance Premium as presented. On roll call the following Members voted AYE: Lindstrom, Welty, Panther, Palmer, Colclasure, Kessler (6) Motion carried. Roll Call #16

I. Approval of Self-Insured Medical Plan Re-Insurance Specific and Aggregate Coverage

Dr. Denisar, Superintendent, stated that at this time the Insurance Committee along with the recommendation of Mutual Medical, our Third Party Administrator (TPA), recommend renewal of our re-insurance and aggregate coverage with Symetra. Specific rate (\$80,000/covered participant): Hold our current rates paid during 2011-12: Single @ \$37.82; Family @ \$96.60; however adding a \$63,000 Individual Advantage Deductible (IAD). With the IAD, we will be taking on the risk up for the first \$63,000 after meeting our Specific rate; should we NOT exceed our Specific, The Plan will retain those dollars within our Medical Fund Balance. Our aggregate rate remains the same as our previous year, \$2.50/covered employee. MEDCO/Express Scripts continues to provide excellent service as our Prescription Benefit Manager (PBM). It was moved by Member Lindstrom and seconded by Member Panther to approve the Self Insured Medical Plan Re-Insurance Specific and Aggregate Coverage. On roll call the following Members voted AYE: Welty, Lindstrom, Panther, Palmer, Kessler, Colclasure (6) Motion carried. Roll Call #17

J. Approval of Agreement Between GAVC/CSC

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, stated this is an agreement between the Galesburg Area Vocational Center (GAVC) and Carl Sandburg College (CSC) that is approved annually. It outlines the procedures and charges for GAVC students taking courses at CSC. Additionally, the agreement sets projected courses, student enrollments, and tuition charges for the dual credit offerings. Other than those projections, the agreement is identical to the one we have signed for a number of years. For the 2012-13 School Year, GAVC and CSC will be partnering to offer the following courses to students:

- Dual Credit Auto Technology (16 GAVC Students)
- Dual Credit Welding (18 GAVC Students)
- Nutrition (11 GAVC students)
- Introduction to Pharmacology & Medical Terminology (17 GAVC students)

It is interesting to note that while we will be serving 21 more GAVC students in the program, tuition charges will be \$18,779 less than last year.

It was moved by Member Welty and seconded by Member Colclasure to the Agreement Between GAVC/CSC. On roll call the following Members voted AYE: Welty, Lindstrom, Panther, Colclasure, Kessler, Palmer (6) Motion carried. Roll Call #18

K. Suspension of Board Policy 4:10 “Goal: Balanced Budget”

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that as administration alerted the Board and its Budget Committee back in February, it is now clear that the district cannot achieve a balance budget in the Education, Transportation, Retirement and Tort funds. (The budgets for Site and Construction and Fire Prevention & Safety funds, by nature, are “spend-down” budgets; the Operations & Maintenance and Debt Service funds are expected to show surpluses, albeit modest.) In each instance, save one, the anticipated fund deficits can be attributed to a short-fall in revenues. Expenditures for each of the funds are either down from the prior year or relatively unchanged. The Education fund shows \$40,804,782 in budgeted expense compared to the prior years \$40,605,570 or a modest increase of less than one-half of one percent (0.49%). The Transportation fund is down \$88,308 from the prior year budget of \$1,857,223 at \$1,768,915 or -4.8%. The Retirement fund stands at an anticipated \$1,362,157 down from an amended (separate action tonight) Fiscal 2012 level of \$1,416,944 or -3.9%. Tort expenditures were expected at \$713,176, up from the prior years budgeted \$623,741 or 14.3%. Most of the change can be attributed to increases in property casualty and worker compensation insurance. Most of the revenue decline can be attributed to a doubling of the State’s proration of general state aid (increasing the loss funding from \$805,000 to \$1,610,000), realization in Fiscal 2013 of the full impact of the State’s continued regular transportation reimbursement proration (from \$466,386 to \$323,290), declining one-time revenue offsets and flat growth in property tax revenues with stagnant EAVs. It is anticipated that the District’s ISBE Financial Accountability & Assurance or FAAS score will drop from 3.80 to 3.45 resulting in a one notch decline in status to “review” (from “recognition”). The District will utilize, as proposed back in February, its accumulated reserve fund balances established for just such a circumstance, to adjust its budget on a going-forward basis to regain its financial “recognition” status with the state. Mr. Cahill is recommending the Board approve to Suspend Board Policy 4:10. It was moved by Member Panther and seconded by Member Colclasure to Suspend Board Policy 4:10 “Goal: Balanced Budget”. On roll call the following Members voted AYE: Palmer, Panther, Welty, Colclasure, Kessler, Lindstrom (6). Motion carried. Roll Call #19

Administrative Reports

Comments were made by Mr. Estes, Mrs. Crawford and Dr. Denisar

Comments By Board of Education

Comments were made by Members Welty, Colclasure, Lindstrom, Palmer, Panther, Kessler

Adjournment

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It was moved by Member Palmer and seconded by Member Lindstrom that the meeting be adjourned—9:37 PM. On roll call the following Members voted AYE: Kessler, Palmer, Colclasure, Lindstrom, Welty, Panther (6) Motion carried Roll Call #20

Natalie Kessler, President

ATTEST:

Molly Palmer, Secretary